

MEMORANDUM

June 12, 2003

TO: Local Agency Formation Commission

FROM: Keene Simonds, Analyst

SUBJECT: Comprehensive Study of American Canyon: Service Review
Agenda Item No. 8b – Correction

After discovering an oversight on its part, staff sought clarification from the City of Vallejo's Water Division of an appendix to the 1996 American Canyon – Vallejo water supply agreement. Staff has determined that the June 12, 2003 supplemental report correctly identifies that American Canyon is currently entitled to a maximum daily capacity of 1.0 million gallons of potable water drawn from Vallejo (resulting in monthly and annual capacities of 57.14 and 628.6 acre-feet respectively), and that the City has the right to purchase additional entitlement capacity. However, the report misstates the timetable in which American Canyon can purchase this additional capacity.

The water supply discussion on page 1 of the June 12 report should be amended to read that American Canyon's water supply agreement with Vallejo includes a provision enabling the City to increase its maximum day capacity over the course of designated time periods. These time periods and their impact on the amount of additional capacity available to the City within a particular period were not included in the June 12 report. These time periods include specified capacity option increases available to American Canyon through five planning periods: 1996-2001; 2002-2006; 2007-2011; 2012-2016; and 2017-2021. For each designated planning period, Vallejo agrees to make available a specified amount of additional capacity for purchase by American Canyon. Capacity option increases during these time periods are 1.5 million gallons in 1996-2001, 2002-2006, and 2007-2011 and 0.9 million gallons in 2012-2016 and 2017-2021. Collectively, these five time periods provide American Canyon the option to increase its maximum daily entitlement capacity up to 6.25 million gallons (this includes the City's base capacity of 1.0 million gallons).

A key component to this arrangement includes the provision that American Canyon's decision not to purchase additional capacity within an applicable time period relieves Vallejo from having to reserve such capacity for the City. American Canyon's decision

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not to purchase the additional capacity reserved during the 1996-2001 time period relieves Vallejo from having to reserve 1.15 million gallons of the 6.25 million gallons of maximum daily capacity originally offered to the City. As a result, the maximum daily capacity available to American Canyon over the next four time periods in which Vallejo is obligated to reserve is 5.1 million gallons. This amount equates to monthly and annual entitlement capacities of 291.414 and 3,205.86 acre-feet.

For clarity purposes, American Canyon's available water supply table identified on page 2 of the June 12 supplemental report should be replaced with the table below, which identifies capacity options still available to the City.

American Canyon – Available Capacity Options <i>Capacity options available to American Canyon in addition to its base maximum daily entitlement capacity of 1.0 million gallons drawn from the City of Vallejo's potable water supply.</i>			
Time Period	Maximum Day Capacity Option	Maximum Month Capacity Option	Maximum Annual Capacity Option
2002-2006	1.15 million gallons	65.711 acre-feet	722.89 acre-feet
2007-2011	1.15 million gallons	65.711 acre-feet	722.89 acre-feet
2012-2016	0.9 million gallons	51.426 acre-feet	565.74 acre-feet
2017-2021	0.9 million gallons	51.426 acre-feet	565.74 acre-feet

Note: A maximum daily capacity of 0.1 million gallons is equivalent to monthly and annual capacities of 5.714 and 62.86 acre-feet. In addition, American Canyon may purchase maximum day entitlement capacity in increments as small as 0.1 million gallons.